

(vi) "Permitted Person" means:-

- (a) an ADR Depositary, acting in its capacity as such;
- (b) a Custodian Bank, acting in its capacity as such;
- (c) a Recognised Person, acting in its capacity as such;
- (d) the Chairman of a meeting of the Company or of a meeting of the holders of Relevant Share Capital or of any class thereof when exercising the voting rights conferred on him under Paragraph (G) of this Article;
- (e) a trustee (acting in that capacity) of any employees' share scheme of the Company;
- (f) the Crown or one of Her Majesty's Secretaries of State, a Minister of the Crown, the Solicitor for the affairs of HM Treasury and any person acting on behalf of the Crown;
- (g) any person who has an interest but who, if the incidents of his interest were governed by the law of England and Wales, would in the opinion of the Board be regarded as a bare trustee of that interest;
- (h) an underwriter in respect of interests in shares which exist only by virtue of a contingent obligation to purchase or subscribe for such shares pursuant to an underwriting or sub-underwriting agreement approved by the Board or in respect of interests in shares purchased or subscribed for by it pursuant to such an obligation;
- (i) any other person who under arrangements approved by the Board subscribes or otherwise acquires Relevant Share Capital (or interests therein) which has been allotted or issued with a view to that person (or purchasers from that person) offering the same to the public, for a period not exceeding three months from the date of the relevant allotment or issue (and in respect only of interests in the shares so subscribed or otherwise acquired);
- (j) Japan Securities Clearing Corporation (or any other person approved by the Board) acting in the capacity of a clearing house in respect of dealings on the Tokyo Stock Exchange;
- (k) The Depositary Trust Company (or any other person approved by the Board) acting in the capacity of a clearing agency in respect of dealings in American Depositary Shares and Interim American Depositary Shares;
- (l) The Agent Bank, as defined in the instalment agreement between the Lords Commissioners of HM Treasury, the Company, Lloyds Bank Plc, Lloyds Bank (Registrars) Nominees Limited and each purchaser as therein defined, dated 21st November 1991;
- (m) any person who has an interest, and who shows to the satisfaction of the Board that he has it by virtue only of being entitled to exercise or control the exercise (within the meaning of Section 203 (4) of the 1985 Act) of one-third or more of the voting power at general meetings of a company which is a Permitted Person within (a) to (l) above; or
- (n) any person acting as a nominee of any other person which is a Permitted Person, in respect of shares or an interest in shares in relation to which such persons is a Permitted Person;

(vii) "Recognised Person" means a recognised clearing house or a nominee of a recognised investment exchange who is designated for the purposes of Section 185 (4) of the 1985 Act in the rules of such recognised investment exchange;

(viii) "Relevant Person" means any person (whether or not identified) who has, or who appears to the Board to have, or who is deemed for the purposes of this Article to have, an interest in shares which carry the right to cast 15 per cent or more of the total votes attaching to Relevant Share Capital of all classes (taken as a whole) and capable of being cast on a poll;

- (ix) "Relevant Share Capital" means the relevant share capital (as defined in Section 198(2) of the 1985 Act) of the Company;
- (x) "Relevant Shares" means all shares comprised in the Relevant Share Capital in which a Relevant Person has, or appears to the Board to have, or who is deemed for the purposes of this Article to have, an interest;
- (xi) "Required Disposal" means a disposal or disposals of such a number of Relevant Shares (or interests therein) as will cause a Relevant Person to cease to be a Relevant Person (other than a Permitted Person) not being a disposal which constitutes any other person (other than a Permitted Person) a relevant Person;

and, for the purposes of this Article, where the Board resolves that they have made reasonable enquiries and that they are unable to determine:-

- (a) whether or not a particular person has an interest in any particular shares comprised in Relevant Share Capital; or
- (b) who is interested in any particular shares so comprised;

the shares concerned shall be deemed to be Relevant Shares and all persons interested in them to be Relevant Persons; and

- (xii) "1985 Act" means the Companies Act 1985 as the same is in effect at the date of adoption of the Articles and notwithstanding any repeal, modification or re-enactment after such date.

(C) Subject to paragraphs (D), (O), (P) and (Q) below and without prejudice to Article 76, the provisions of Part VI of the 1985 Act shall apply in relation to the Company as if those provisions extended to Included Interests and accordingly the rights and obligations arising under that Part shall apply in relation to the Company, its members and all persons interested in Relevant Share Capital, as extended by this paragraph; but so that Included Interests shall, when disclosed to the Company, be entered in a separate register kept by the Company for that purpose. The rights and obligations created by this paragraph in respect of interests in shares (including, but not limited to, Included Interests), are in addition to and separate from those arising under Part VI of the 1985 Act.

- (D) Sections 210(3) to (6), 211(10), 213(3) (so far as it relates to Section 211(10)), 214(5), 215(8), 216(1) to (4), 217(7), 218(3), 219(3) and (4), 454, 455, 732 and 733 of the 1985 Act shall not apply in respect of Included Interests.

(E) If, to the knowledge of the Board, any person other than a Permitted Person is or becomes a Relevant Person, the Board shall give notice to all persons (other than persons referred to in paragraph (J) below) who appear to the Board to have interests in the Relevant Shares and, if different, to the registered holders of those shares. The notice shall set out the restrictions referred to in paragraph (G) below and call for a Required Disposal to be made within 21 days of the giving of the notice to the holder or such longer period as the Board considers reasonable.

The Board may extend the period in which any such notice is required to be complied with and may withdraw any such notice (whether before or after the expiration of the period referred to) if it appears to them that there is no Relevant Person in relation to the shares concerned. After the giving of such a notice, and save:-

- (i) for the purpose of a Required Disposal under this paragraph or Paragraph (F) below; or
- (ii) in relation to a transfer by or on behalf of a Custodian Bank, acting in its capacity as such;

no transfer of any of the Relevant Shares may be registered until either the notice is withdrawn or a Required Disposal has been made to the satisfaction of the Board and registered.

(F) If a notice served under Paragraph (E) of this Article has not been complied with in all respects to the satisfaction of the Board and has not been withdrawn, the Board shall, so far as they are able, make a Required Disposal and shall give written notice of such disposal to those persons on whom such notice was served. The manner, timing and terms of any such Required Disposal made or sought to be made by the Board (including but not limited to the price or prices at which the same is made and the extent to which assurance is obtained that no transferee (with the exception of a Permitted Person) is or would become a Relevant Person) shall be such as the Board determine, based upon advice from bankers, brokers or other appropriate persons consulted by them for the purpose, to be reasonably practicable having regard to all the circumstances including but not limited to the number of shares to be disposed of and the requirement that the disposal be made without delay; and the Board shall not be liable to any person for any of the consequences of reliance on such advice. If on a Required Disposal being made by the Board, Relevant Shares are held by more than one registered holder (treating joint holders of any Relevant Shares as a single holder), the Board shall cause as near as is practicable the same proportion of each registered holding, as is known to them, of such Relevant Shares to be sold.

(G) A registered holder of a Relevant Share on whom a notice has been served under Paragraph (E) of this Article shall not in respect of such share be entitled, until such time as such notice has been withdrawn or the notice has been complied with to the satisfaction of the Board, to attend or vote at any General Meeting of the Company or meeting of the holders of Relevant Share Capital or of any class thereof, or to exercise any other right conferred by membership in relation to any such meeting, and the rights to attend (whether in person or by proxy), to speak and to demand and vote on a poll which would have attached to such Relevant Share had it not been a Relevant Share shall vest in the chairman of any such meeting. The manner in which the chairman exercises or refrains from exercising any such rights shall be entirely at his discretion. The chairman of any such meeting as aforesaid shall be informed by the Board of any share becoming or being deemed to be a Relevant Share.

(H) For the purpose of effecting any Required Disposal, the Board may authorise in writing any officer or employee of the Company to execute any necessary transfer on behalf of any registered holder and may enter the name of the transferee in respect of the transferred shares in the Register notwithstanding the absence of any share certificate being lodged in respect thereof and may issue a new certificate to the transferee and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of such disposal shall be received by the Company whose receipt shall be a good discharge for the purchase money, and shall be paid (without any interest being payable thereon and after deduction of any expenses incurred by the Board in the sale) to the former registered holder (or, in the case of joint holders, the first of them named in the Register) upon surrender by him or on his behalf of any certificate in respect of the Relevant Shares sold and formerly held by him.

(I) Without prejudice to the provisions of the Acts and subject to the provisions of Paragraph (B)(vi) of this Article the Board may assume without enquiry that a person is not a Relevant Person unless the information contained in the registers kept by the Company under Paragraph (C) of this Article appears to the Board to indicate to the contrary or the Board have reason to believe otherwise, in which circumstances the Board shall make reasonable enquiries to discover whether any person is a Relevant Person.

(J) The Board shall not be obliged to serve any notice required under this Article to be served upon any person if they do not know either his identity or his address. The absence of service of such a notice in such circumstances as aforesaid and any accidental error in or failure to give any notice to any person upon whom notice is required to be served under this Article shall not prevent the implementation of or invalidate any procedure under this Article.

(K) If any director has reason to believe that a person (not being a Permitted Person) is a Relevant Person he shall inform the other directors of that fact.

(L) The provisions of Articles 154 to 158 shall apply to the service upon a Member of any notice required by this Article to be served. Any notice required by this Article to be served upon a person who is not a Member or to a person who is a Member but to whom Article 158 applies shall be deemed validly served if it is delivered by hand or sent through the post in a pre-paid cover addressed to that person at the address (or if more than one, at one of the addresses), if any, at which the Board believes him to be resident or carrying on business. Where a notice is served by hand, it shall be deemed served at the time it is handed to or left for such person at such address, addressed as aforesaid, or if by post, service shall be deemed to be effected at the expiration of 24 hours (or, where any means of delivery other than first class mail is employed, 72 hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.

(M) Any resolution or determination of, or decision or exercise of any discretion or power by, the Board or any director or by the chairman of any meeting under or pursuant to the provisions of this Article (including without prejudice to the generality of the foregoing as to what constitutes reasonable enquiry or as to the manner, timing and terms of any Required Disposal made by the Board under Paragraph (F) of this Article) shall be final and conclusive and any disposal or transfer made, or other things done, by or on behalf of, or on the authority of, the Board or any director pursuant to the foregoing provisions of this Article shall be conclusive and binding on all persons concerned and shall not be open to challenge, whether as to its validity or otherwise on any ground whatsoever. The Board shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this Article.

(N) This Article shall apply notwithstanding any provisions in the Articles to the contrary.

(O) Paragraphs (C) and (D) of this Article shall not apply to an ADR Depositary in its capacity as such. A person who has an interest in American Depositary Shares evidenced by an American Depositary Receipt (or Interim American Depositary Shares evidenced by an Interim American Depositary Receipt) shall be deemed for the purposes of this Article to have an interest in the number of shares in the Company represented by such American Depositary Shares and evidenced by such American Depositary Receipt (or in the number of Interim Rights represented by such American Depositary Shares and evidenced by such Interim American Depositary Receipt, as the case may be) and not (in the absence of any other reason why he should be so treated) in the remainder of the shares in the Company (or Interim Rights) held by the ADR Depositary.

(P) Paragraphs (C) and (D) of this Article shall not apply to the Custodian Bank in its capacity as such. A person who has an interest in shares by virtue of a interest in Interim Rights shall be deemed for the purposes of this Article to have an interest in the number of shares in the Company to which such Interim Rights relate and not (in the absence of any other reason why he should be so treated) in the remainder of the shares in the Company held by the Custodian Bank.

(Q) Paragraph (C) of this Article shall not apply to a Recognised Person acting in his capacity as such. Where in that capacity interests in shares in the Company or Interim Rights are held by a Recognised Person under arrangements recognised by the Company for the purposes of this Article, any such person who has rights in relation to shares in the Company or Interim Rights in which such a Recognised Person has an interest shall be deemed to be interested in the number of shares in the Company for which such a Recognised Person is or may become liable to account to him or in the number of shares in the Company in respect of which rights are evidenced by the Interim Rights for which such a Recognised Person is or may become liable to account to him, and any interest which (by virtue of his being a tenant in common in relation to interests in shares in the Company or Interim Rights so held by such a Recognised Person) he would otherwise be treated for the purposes of this Article as having in a larger number of shares in the Company or Interim Rights in the Company shall (in the absence of any other reason why he should be so treated) be disregarded.

Transfer of Shares

38. Subject to Article 18 all transfers of shares shall be in writing in any common form or any other form acceptable to the Board and shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Register in respect thereof.

39. The Board may in their absolute discretion and without assigning any reason therefor refuse to register any transfer of any share:-

- (a) which is not a fully paid share; or
- (b) which is in favour of more than four persons jointly; or
- (c) unless the instrument of transfer is duly stamped and lodged at the Office (or such other place as the Board may from time to time determine) to be registered accompanied:-
 - (i) (save in the case of a transfer by a Stock Exchange Nominee where no certificate has been issued in respect of the share in question) by a certificate of the share to which it relates and,
 - (ii) by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and,
 - (iii) (if the instrument of transfer is executed by some other person on his behalf) by the authority of that person to do so; or
- (d) unless the instrument of transfer is in respect of only one class of share; or
- (e) which is in favour of a minor, infant, bankrupt or person of unsound mind; or
- (f) on which the Company has a lien pursuant to the Articles.

40. If the Board refuse to register a transfer they shall within whichever is the earlier of:

- (a) the time required by the listing rules of the Stock Exchange from time to time; or
- (b) two months after the date on which the transfer was lodged with the Company

send to the transferee notice of the refusal and (except in the case of fraud) return to him the instrument of transfer. All instruments of transfer which are registered may be retained by the Company.

41. No fee will be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register affecting the title to any shares.

42. The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine and either generally or in respect of any class of shares provided always that such registration shall not be suspended for more than 30 days in any year.

43. The Company shall be entitled to destroy:-

- (a) any instrument of transfer which has been registered, at any time after the expiration of six years from the date of registration thereof;
- (b) any dividend mandate or any variation or cancellation thereof or any notification of change of address, at any time after the expiration of two years from the date of recording thereof;
- (c) any share certificate which has been cancelled, at any time after the expiration of one year from the date of such cancellation; and
- (d) any other document on the basis of which any entry in the Register is made, at any time after the expiration of six years from the date an entry in the Register was first made in respect thereof;

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every other document destroyed pursuant to this Article was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company: Provided always that:-

- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to any claim;
- (ii) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (i) above are not fulfilled; and
- (iii) references in this Article to the destruction of any document include references to its disposal in any manner.

44. The Board may at any time after the allotment of any share but before any person has been entered in the Register as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board may think fit to impose.

Transmission of Shares

45. In case of the death of a Member, the survivors or survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only person or persons recognised by the Company as having any title to or interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

46. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member or of any other event giving rise by operation of law to such entitlement may (subject as herein provided) upon supplying to the Company such evidence as the Board may reasonably require to show his title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of his desire to be so registered or transfer such share to some other person by executing a transfer of the share to that person. All the limitations, restrictions and provisions of the Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member or other event as aforesaid had not occurred and the notice of transfer were a transfer executed by such Member.

47. A person becoming entitled to a share by reason of the death or bankruptcy of a Member or other event giving rise by operation of law to such entitlement shall, upon supplying to the Company such evidence as the Board may reasonably require to show his title to the share, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided always that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 days the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Conversion of Shares

48. The Company may by Ordinary Resolution convert any paid-up shares into stock and reconvert any stock into paid-up shares of any denomination. After the passing of any resolution converting all the fully paid-up shares of any class in the capital of the Company into stock, any shares of that class which subsequently become fully paid-up and rank *pari passu* in all other respects with such shares shall, if so provided in such resolution and by virtue thereof and of this Article, be converted into stock transferable in the same units as the shares already converted.

49. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Board may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

50. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

51. Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

Alteration of Capital

52. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall direct.

53. Subject to the provisions of the Acts, the Company may, by the resolution increasing the share capital, direct that the new shares of any of them shall be offered in the first instance to all the holders for the time being of any shares of any class or classes in proportion to the number of such shares held by them respectively or may make any other provisions as to issue of the new shares.

54. The new shares shall be subject to all the provisions of the Articles with reference to lien, the payment of calls, forfeiture, transfer, transmission and otherwise.

55. The Company may by Ordinary Resolution:-

- (a) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
- (b) sub-divide its existing shares, or any of them, into shares of smaller nominal value than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of the Acts, and the resolution whereby any share is sub-divided may resolve that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to such restrictions, as the Company has power to attach to unissued or new shares: Provided that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its capital by the amount of the shares so cancelled.

56. Subject to any direction by the Company in General Meeting, whenever as the result of any consolidation or sub-division and consolidation of shares Members are entitled to any issued shares of the Company in fractions, the Board may deal with such fractions as they shall determine and in particular may sell the shares to which Members are so entitled in fractions for the best price reasonably obtainable and pay and distribute to and amongst the Members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Board may nominate some person to execute a transfer of the shares sold on behalf of the Members so entitled to or in accordance with the directions of the purchaser thereof and may cause the name of the transferee to be entered in the Register as the holder of the shares comprised in any such transfer and the purchaser shall not be bound to see to the application of the purchase consideration nor shall title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

57. Subject to the provisions of the Acts, the Company may by Special Resolution reduce its share capital, any capital redemption reserve and any share premium account in any manner, and diminish the amount of its share capital by the amount of the shares so cancelled.

General Meetings

58. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Board shall appoint. All other General Meetings shall be called Extraordinary General Meetings.

59. The Board may, whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by the Acts. If at any time there are not within the United Kingdom sufficient directors capable of acting to form a quorum, any director or any two Members may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

Notices of Meetings

60. An Annual General Meeting and a meeting called for the passing of a Special Resolution or (save as provided by the Acts) a resolution of which special notice has been given to the Company shall be called by not less than 21 days' notice in writing, and any other meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of the meeting, and shall be given, in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Board, to such persons as are, under the Articles, entitled to receive such notices from the Company. In the case of any General Meeting at which special business is to be transacted, the notice shall specify the general nature of such business. A notice convening a meeting at which any resolution is to be proposed as an Extraordinary Resolution or as a Special Resolution, shall contain a statement to that effect. Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed:

- (a) in the case of an Annual General Meeting, by all the Members entitled to attend and vote at the meeting; and
- (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

61. (A) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his stead and that a proxy need not be a Member.

(B) The accidental omission to give notice of a meeting or form of proxy to, or the non-receipt of notice of a meeting or form of proxy by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

62. (A) Subject to any restrictions contained in the Acts or in any other of the Articles, every Member shall be entitled to attend a General Meeting, in person or by proxy. This entitlement shall be subject to any arrangements referred to in the remainder of this Article, provided that where the meeting is to be held at more than one place, the arrangements shall operate so that any Members or proxies prevented or excluded from attending at one place are permitted to attend and participate at one of such other places.

(B) In accordance with Paragraph (A) above, the Board may make such arrangements, as they shall in their absolute discretion consider to be appropriate, for any of the following purposes:-

- (i) to regulate the level of attendance at any place specified for the holding of a General Meeting or any adjournment of such a meeting, or to ensure the safety of people attending at any such place; or
- (ii) to facilitate attendance at such meeting or adjournment;

and may from time to time vary any such arrangements or make new arrangements in their place. Such arrangements may include, without prejudice to the generality of the foregoing, the issue of tickets or the use of some random means of selection or otherwise as the Board shall consider to be appropriate.

(C) In the case of any meeting to which such arrangements apply the Board may, when specifying the place of the General Meeting:-

- (i) direct that the meeting shall be held at a place specified in the notice at which the Chairman of the meeting shall preside ("Main Meeting Place"); and
- (ii) make arrangements for simultaneous attendance and participation at other places by Members and proxies otherwise entitled to attend the General Meeting but excluded from it under the provisions of this Article or who wish to attend at any of such other places.

(D) Such arrangements for simultaneous attendance may include arrangements for regulating the level of attendance in the manner aforesaid at any of such other places, subject to the provisions of Paragraph (A) above.

(E) For the purposes of all other provisions of these Articles (unless the context requires otherwise) the Members shall be deemed to be meeting in one place, which shall be the Main Meeting Place.

(F) If the Board, in their absolute discretion, consider that it is impractical or undesirable for any reason to hold a General Meeting on the date or at the time or place specified in the notice calling the General Meeting, they may postpone the meeting to another date, time and place. When a meeting is so postponed, notice of the date, time and place of the postponed meeting shall be placed in at least two national newspapers in the United Kingdom. Notice of the business to be transacted at such postponed meeting shall not be required. The arrangements referred to in this Article shall apply to the postponed meeting.

(G) The Board may require Members or proxies seeking attendance at any General Meeting to submit to such searches or other security arrangements as the Board considers appropriate. The Board shall be entitled, in their absolute discretion and notwithstanding the provisions of Article 62(A), to refuse entry to, or eject from, a General Meeting any Member or proxy who does not submit to such searches or comply with such security arrangements.

63. All business transacted at General Meetings of the Company shall be deemed special business other than the following business if transacted at an Annual General Meeting, namely:-

- (a) declaring and sanctioning dividends;
- (b) considering the accounts, balance sheets, reports of the Board and the Auditor and all other documents required by law to be attached or annexed to any of the aforementioned documents;
- (c) electing directors in place of those retiring (by rotation or otherwise); and
- (d) appointing (when special notice of the resolution for such appointment is not required by the Acts), and fixing the remuneration of, the Auditor or the manner in which such remuneration is to be fixed.

Proceedings at General Meetings

64. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business but the absence of a quorum shall not preclude the appointment, choice or election of a chairman, which shall not be treated as part of the business of the meeting. Save as herein otherwise provided, two Members present in person or by proxy and entitled to vote shall be a quorum.

65. If within ten minutes (or such longer period not exceeding one hour as the chairman of the meeting may determine to wait) from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day (not being less than 14 nor more than 28 days thereafter) and at such other time and place as the Board may determine provided that if the Board so determine another day, time or place the Company shall give not less than seven days' notice in writing of any meeting adjourned through want of a quorum.

66. (A) The Chairman, if any, or in his absence the deputy chairman, if any, of the Board shall preside as Chairman at every General Meeting of the Company, or if there is no such chairman or deputy chairman, or if neither of them shall be present within 15 minutes after the time appointed for the holding of the meeting or is willing to act the directors present shall elect one of their number to be chairman of the meeting. If at any meeting no director is willing to act as chairman or if no director is present within 15 minutes after the time appointed for holding the meeting, the Members present whether in person or by proxy shall choose one of their number to be chairman of the meeting.

(B) The chairman shall take such action as he thinks fit to promote the orderly conduct of General Meetings. The decision of the chairman on points of order, matters of procedure or arising incidentally out of the business of the Meeting shall be final and conclusive, as shall be his determination, acting in good faith, whether any point or matter is of such a nature.

67. (A) The chairman of the meeting may at any time with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting to another time or place (or indefinitely). In addition, the chairman may at any time without the consent of the meeting adjourn the meeting to another time or place or indefinitely if it appears to the chairman that:-

- (i) the number of persons present or wishing to attend cannot be conveniently accommodated in the place(s) appointed for the meeting; or
- (ii) the unruly behaviour of any persons attending the meeting prevents or is likely to prevent the orderly conduct of the business of the meeting; or
- (iii) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

No business shall be transacted at any adjourned meeting other than business left unfinished at the meeting from which the adjournment took place.

(B) When a meeting is adjourned for an indefinite period, the date, time and place of the adjourned meeting shall be fixed by the Board. When a meeting is adjourned for 60 days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. When a meeting is adjourned for more than 14 days but less than 60 days (or for 14 days or less if the date of the adjourned meeting is fixed by the Board), notice of the day, time and place of the adjourned meeting shall be placed in at least two national newspapers in the United Kingdom and notice of the business to be transacted at such an adjourned meeting shall not be required. Where a meeting is adjourned for 14 days or less, and the date of the adjourned meeting is fixed by the chairman of the meeting, it shall not be necessary to give any notice of an adjourned meeting, or of the business to be transacted at an adjourned meeting whatever the reason for the adjournment.

68. (A) In the case of a resolution duly proposed as a Special or Extraordinary Resolution, no amendment to it (other than an amendment to correct a patent error) may be considered or voted upon. In the case of a resolution duly proposed as an ordinary resolution, no amendment to it (other than an amendment to correct a patent error) may be considered or voted upon unless at least 48 hours prior to the time appointed for holding the meeting or adjourned meeting at which such resolution is to be proposed notice in writing of the terms of the amendment and intention to move the same has been lodged at the Office.

(B) Subject to paragraph (A), if an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

69. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:-

- (a) by the chairman of the meeting; or
- (b) by at least five Members present in person or by proxy and entitled to vote; or
- (c) by any Member or Members present in person or by proxy and representing not less than one tenth of the total voting rights of all the Members having the right to vote at the meeting; or
- (d) by a Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn at any time before the close of the meeting or the taking of the poll whichever is earlier.

70. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time (not being more than three months after the date on which the poll was demanded) and place(s) as the chairman of the meeting shall direct. No notice need be given of a poll. Any business other than that upon which the poll has been demanded may at the discretion of the chairman of the meeting be proceeded with pending the taking of the poll.

71. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may appoint scrutineers and may adjourn the meeting to some place and time affixed by him for the purpose of declaring the result of the poll, or may declare the result, or arrange to have it declared, in such manner as he shall think fit.

72. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

Votes of Members

73. Subject to any rights or restrictions attached to any class or classes of shares and to the provisions of the Articles, on a show of hands every Member who is present in person shall have one vote and on a poll every Member who is present in person or by proxy shall have one vote for every 25p in nominal amount of the Ordinary Shares of which he is the holder.

74. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the share.

75. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or mental disorder, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver, or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may, on a poll, vote by proxy provided that such evidence as the Board in their absolute discretion may require of the authority of the person claiming to vote shall have been deposited at the Office or at such other place as is specified for deposit of instruments of proxy not less than 48 hours before the time for holding the meeting.

76. (A) No Member shall, unless the Board in their absolute discretion otherwise determine, be entitled to attend or vote at any General Meeting either in person or by proxy, or upon any poll, or to exercise any other right conferred by membership at or in relation to meetings of the Company in respect of any shares in the capital of the Company held by him if:-

- (i) any call or other sum presently payable by him in respect of those shares remains unpaid; or
- (ii) (a) he or any person appearing to be, directly or indirectly, interested in those shares has been duly served with a notice under Section 212 of the 1985 Act; and
 - (b) he or any such person is in default in supplying to the Company the information requested within the time specified in such notice for compliance, being not less than 14 days after service of the notice; and
- (c) the Board resolve that those shares be disqualified.

(B) Such disqualification shall continue until not more than seven days after the earlier of:-

- (i) receipt by the Company of notice that those shares have been sold to a bona fide third party who is not a connected person. Such as a sale shall include a sale through the London Stock Exchange or any stock exchange outside the United Kingdom or by the acceptance of a takeover offer;
- (ii) due compliance, to the satisfaction of the Company, with the notice under Section 212; or
- (iii) the Board resolving to remove the disqualification.

(C) For the purposes of this Article a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification under Section 212 which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other notification under Section 212) the Board know or have reasonable cause to believe that the person in question is or may be interested in the shares.

77. If (i) any objection shall be raised to the qualification of any voter (whether on a show of hands or on a poll) or (ii) any votes have been counted which ought not to have been counted or which might have been rejected or (iii) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

78. On a poll votes may be given personally or by proxy and a Member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

79. The instrument appointing a proxy shall be in writing in any usual or common form, or any other form which the Board may approve, under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation either under seal or under the hand of any officer or attorney duly authorised. The signature on such instrument need not be witnessed. A proxy need not be a Member.

80. An instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority, or, in the case of a power of attorney, a copy certified in accordance with the Powers of Attorney Act 1971, shall be deposited at the Office or at such other place (if any) within the United Kingdom as is specified for that purpose in or by way of a note to the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to that meeting not less than 48 hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll at which it is to be used, and in default the instrument of proxy shall not be treated as valid. When two or more valid but different instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting or poll concerned.

81. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting to which it relates. An instrument of proxy expressed to relate to more than one meeting having once been delivered pursuant to the Articles for the purposes of any meeting shall not require again to be delivered for the purpose of any subsequent meeting to which it relates. No instrument of proxy shall be valid after the expiration of 12 months from the date of its execution except at an adjourned meeting or on a poll demanded at a meeting or adjourned meeting in cases where the meeting was originally held within 12 months from that date.

82. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and to speak at the meeting.

83. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or such other place (if any) as is specified for depositing the instrument of proxy not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) 24 hours before the time appointed for the holding of a poll at which such vote is given.

84. Subject to the provisions of the Acts, a resolution in writing signed by or on behalf of all the Members for the time being entitled to receive notice of and to attend and vote at General Meetings shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held, and may consist of two or more documents in like form each signed by or on behalf of one or more of the Members.

Corporations Acting by Representatives at Meetings

85. Any corporation (including a corporation sole) which is a Member of the Company may by resolution of its Board or other governing body or, by authority given under seal or under the hand of an officer duly authorised by it, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or of any class of Members in respect of its entire holding or any part or parts thereof. The Solicitor for the affairs of Her Majesty's Treasury may, so long as he is a member of the Company, authorise in writing under his hand such person as he thinks fit to act as his representative at any meeting of the Company or of any class of members of the Company. A person so authorised pursuant to the foregoing provisions of this Article shall be entitled to exercise the same powers on behalf of the corporation which he represents in respect of that part of such corporation's holding to which his authorisation relates as that corporation could exercise if it were an individual Member with such a holding.

Directors

86. Subject to Article 87 the number of directors shall be not less than four.

87. The Company may by Ordinary Resolution from time to time vary the minimum number and/or fix and from time to time vary a maximum number of directors.

88. A director shall not be required to hold any shares in the capital of the Company.

89. A director who is not a Member shall nevertheless be entitled to receive notice of and attend and speak at all General Meetings of the Company and all separate General Meetings of the holders of any class of shares in the capital of the Company.

Borrowing Powers

90. Subject to the provisions of the Articles the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge all or any part of its undertaking, property, assets (present and future) and uncalled capital, and subject to the Acts to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

91. (A) The Board shall restrict the Borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to the subsidiary undertakings (if any) so as to secure (but, as regards the subsidiary undertakings, only insofar as by such exercise it can secure) that the aggregate amount for the time being remaining outstanding of all Borrowings of the Group for the time being owing to persons outside the Group shall not at any time, without the previous sanction of an Ordinary Resolution of the Company, exceed an amount equal to 1.75 times the Adjusted Capital and Reserves.

(B) For the purpose of this Article,

"Adjusted Capital and Reserves" means, subject as hereinafter provided, the aggregate of the following items, namely:

- (i) the nominal amount of the share capital of the Company for the time being allotted (but not at such time issued) and paid up or credited as or deemed to be paid up together with the nominal amount of the share capital of the Company for the time being issued and paid up or credited as or deemed to be paid up; and
- (ii) the amounts standing to the credit of all reserves (including without limitation any share premium account or capital redemption reserve, and any credit balance on profit and loss account)

all as shown in the Latest Consolidated Balance Sheet but after deducting therefrom any debit balance on profit and loss account (as so shown), to the extent that such deduction has not already been made and after making adjustments to reflect any variation in the amount of such paid-up share capital, share premium account or capital redemption reserve since the date of the Latest Consolidated Balance Sheet;

and further adjusted:

- (a) to the extent that the following items have not already been added, deducted or excluded in arriving at the amounts referred to in (i) and (ii) above:
- (1) by taking into account the subscription moneys (including any premium) in respect of any share capital of the Company allotted or issued for cash since the date of the Latest Consolidated Balance Sheet to the extent that the subscription moneys (including any premium) in respect thereof are payable within twelve months of the date at which the amount of the Adjusted Capital and Reserves is to be calculated. In particular where an allotment or issue (actual or proposed) of shares for cash has been underwritten then the subscription moneys (including any premium) in respect of such allotment or issue (if not received at the time the calculation is made), shall be deemed to have been received (to the extent that such moneys are payable within 12 months after the date of allotment) on the date when such allotment or issue was underwritten to the extent that it was underwritten (or, if such underwriting was conditional, on the date when such underwriting became unconditional);
 - (2) by deducting therefrom any distribution declared, recommended (by the directors of the company proposing to make such distribution to the members of such company) or made by any member of the Group (other than to any other member of the Group and attributable directly or indirectly to the Company) out of the profits included within the reserves as at the date of the Latest Consolidated Balance Sheet and not provided for in the Latest Consolidated Balance Sheet; and
 - (3) by deducting therefrom any amounts shown in the Latest Consolidated Balance Sheet attributable to the interests of outside shareholders or members in the subsidiary undertakings;
- (b) as may be appropriate as at the latest reasonably practicable date prior to the date of calculation of the Adjusted Capital and Reserves in respect of any variation in the book value of the Company's investment in the subsidiary undertakings since the date of the Latest Consolidated Balance Sheet (whether by way of share or loan capital or indebtedness, other than indebtedness on current account arising in the ordinary course of trading) but ignoring revenue profits or losses arising in the accounting reference period which commenced immediately after the date of the Latest Consolidated Balance Sheet;
- (c) if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary undertaking, as would be appropriate if such transaction had been carried into effect; and
- (d) by the making of such other (if any) adjustments as the Auditors after consultation with the Company may consider appropriate (including, without limitation to the generality of the foregoing, any adjustment to reflect any variation in the amount shown in the Latest Consolidated Balance Sheet attributable to goodwill);
- but so that no amount to be added, deducted or excluded as a result of any of the foregoing shall be added, deducted or excluded more than once in the same calculation.

"Borrowings" means as at any date:

- (i) the principal amount of all moneys borrowed (with or without security) by any member of the Group;
- (ii) the nominal amount of the issued share capital of any subsidiary undertaking (other than equity share capital or share capital ranking in all respects as regards participation in the profits and assets of such subsidiary undertaking after its equity share capital) which is not beneficially owned by any member of the Group;
- (iii) the maximum principal amount for the time being outstanding for which any member of the Group is liable as guarantor or indemnifier or provider of security in respect of:
 - (A) obligations for redemption of any share capital of any body corporate (other than share capital which is beneficially owned by any member of the Group); or
 - (B) the principal amount of borrowings or loan capital (not being borrowings due to any member of the Group or loan capital beneficially owned by any member of the Group) of any person other than a member of the Group and so that for the purposes of this sub-paragraph (B) "borrowings" shall be deemed to include obligations which, were they obligations of a member of the Group, would be Borrowings under this definition thereof;
- (iv) the principal amount raised by any member of the Group by acceptances or under any acceptance credit opened on its behalf by a bank or accepting house (not being in either case in relation to the purchase of goods or services in the ordinary course of trading which have been outstanding for 187 days or less);
- (v) the principal amount of any debentures of any member of the Group not beneficially owned by a member of the Group;
- (vi) any fixed or minimum premium payable on final repayment of any amount falling to be taken into account as Borrowings under this definition thereof;
- (vii) amounts not described in (i) to (vi) above if they would be shown as borrowings in a consolidated balance sheet (being the main or principal balance sheet) of the Group;

but shall be deemed not to include:

- (viii) Borrowings for the purpose of repaying the whole or any part of Borrowings by a member of the Group for the time being outstanding and so to be applied within six months of being borrowed, pending their application for such purpose within such period;
- (ix) Borrowings from banks or others for the purpose of financing any contract in respect of which any part of the price receivable thereunder is guaranteed or insured by the Export Credits Guarantee Department or any other institution carrying on similar business to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured;
- (x) Borrowings of any body corporate becoming a subsidiary undertaking at the time it becomes a subsidiary undertaking and for a period of six months thereafter, and Borrowings remaining secured on any asset acquired by a member of the Group at the time of such acquisition and for a period of six months thereafter. Provided in each case that such Borrowings were incurred (and in the latter case that the security was given) prior to such body corporate becoming a subsidiary undertaking and such acquisition respectively;

and so that:

- (xi) there shall be credited against the amount of any Borrowings any amounts beneficially owned by any member of the Group which are deposited with any bank or other person (whether on current account or otherwise) not being a member of the Group and which are repayable to any member of the Group on demand or within three months of any demand, subject, in the case of money deposited by a partly owned subsidiary undertaking to the exclusion of a proportion thereof equal to the minority proportion (as defined in paragraph (xiii) below);
- (xii) no amount shall be taken into account more than once in the same calculation; and
- (xiii) notwithstanding any other provisions of these Articles Borrowings by a partly-owned subsidiary undertaking which are not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion thereof equal to the minority proportion and Borrowings owed to a partly-owned subsidiary undertaking by another member of the Group shall be taken into account to the extent of a proportion thereof equal to the minority proportion; for the purposes aforesaid "minority proportion" shall mean the proportion of the issued equity share capital of such partly-owned subsidiary undertaking which is not attributable directly or indirectly to the Company;
- (xiv) when the aggregate amount of Borrowings on any particular day is being ascertained:-
 - (a) any such Borrowings of any member of the Group denominated or repayable in a currency other than sterling shall be converted for the purposes of calculating the sterling equivalent:-
 - (i) with the exception of Excepted Foreign Currency Borrowings (as hereinafter defined), at the rate of exchange prevailing on such day in London provided that any of such Borrowings shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business in London on the relevant day (or, if such day is not a business day, the preceding day which is a business day) as supplied by such person or calculated on such basis as the Auditors may determine or approve).
 - (ii) in the case of any Excepted Foreign Currency Borrowings at the rate of exchange which would be applicable to such Borrowings on their repayment to the extent that such rate of exchange is specified under any Exchange Cover Scheme (as hereinafter defined) in connection with such Borrowings provided that where it is not possible to determine the rate of exchange applicable at the time of repayment of any such Excepted Foreign Currency Borrowings such Borrowings shall be converted into sterling under the terms of the applicable Exchange Cover Scheme on such basis as may be agreed or determined by the Auditor, or, if this is agreed by the Auditor not to be practicable, in accordance with the provisions of (i) above.

For the purposes of this paragraph (a): "Excepted Foreign Currency Borrowings" means those Borrowings denominated or repayable in a currency other than sterling which have the benefit of an Exchange Cover Scheme; and "Exchange Cover Scheme" means any exchange cover scheme, forward currency contract or currency option or other arrangement taken out to reduce the risks associated with fluctuations in exchange rates and which has the effect of limiting exposure to fluctuations in exchange rates;

- (b) where under the terms of any Borrowing the amount of money which would be required to discharge the principal amount of such Borrowings in full if it fell to be repaid (whether at the option of the member of the Group borrowing the same or by reason of default) on such date is less than the amount which would otherwise be taken into account in respect of such Borrowing for the purposes of this Article, the amount of such Borrowing to be taken into account for the purposes of this Article shall be such lesser amount.

For the avoidance of doubt prepayments by customers and payments by customers by way of deposit or security in respect of goods or services to be provided to them shall not be included as Borrowings. A certificate or report by the Auditor as to the amount of the Adjusted Capital and Reserves or the amount of any Borrowings or to the effect that the limit imposed by this Article is not being, has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or such fact for the purposes of this Article. Nevertheless for the purposes of this Article the Board may act in reliance on a bona fide estimate of the amount of Adjusted Capital and Reserves at any time and if in consequence the limit contained in this Article on Borrowings is inadvertently exceeded an amount of Borrowings equal to the excess may be disregarded until the expiration of 183 days after the date on which by reason of a determination of the Auditor or otherwise the Board becomes aware that such a situation has or may have arisen.

Notwithstanding the foregoing, no lender or other person dealing with the Company shall be concerned to see or enquire whether the limit on Borrowings imposed by this Article is observed and any Borrowing incurred or security given in excess of such limit shall not be invalid or ineffectual except in the case of express notice to the lender or to the recipient of the security at the time when the Borrowing was incurred or the security given that the limit on Borrowings in this Article had been or shall thereby be exceeded.

(C) In this Article:-

"Group" means the Company and every subsidiary undertaking and "member of the Group" shall be construed accordingly;

"Latest Consolidated Balance Sheet" means at any date the then latest consolidated balance sheet of the Group prepared for the purposes of the Acts which has been audited and has been reported on by the Auditor as the main accounts for the Group, prepared in accordance with the historical cost convention Provided that if such main accounts are prepared otherwise than in accordance with the historical cost convention but the Company has also prepared an audited consolidated balance sheet as at the same date in accordance with the historical cost convention "Latest Consolidated Balance Sheet" shall mean the last mentioned balance sheet but, if no such balance sheet is prepared, shall mean the balance sheet forming part of the main accounts adjusted as the Auditor after consultation with the Company consider appropriate to enable the Adjusted Capital and Reserves to be calculated as though derived from a balance sheet prepared in accordance with the historical cost convention.

Powers and Duties of Directors

92. The business of the Company shall be managed by the Board, who may pay all expenses incurred in forming and registering the Company and may exercise all such powers of the Company (whether relating to the management of the business of the Company or otherwise) as are not by the Acts or by the Articles required to be exercised by the Company in General Meeting, subject, nevertheless, to any of the Articles, to the provisions of the Acts and to such regulations, being not inconsistent with the Articles or such provisions, as may be prescribed by Ordinary Resolution of the Company; but no regulation so made by the Company shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. The general power and authority conferred upon the Board by this Article shall not be limited or restricted by any other power or authority conferred upon the Board by any other Article.

93. The Board may make such arrangements for the management and conduct of the Company's affairs in the United Kingdom or elsewhere as they think fit and may from time to time and for any period appoint any persons for the purposes of managing, supervising or advising or assisting in managing or supervising any part of the business of the Company or to act as a special or local board, committee or council or as local agent or manager for such purposes as aforesaid either generally or in any specified locality. In particular, the Board may for all or any of the aforesaid purposes establish regional, area or local boards or boards for particular branches, sections, departments or divisions of the business of the Company, the members of which may be designated as regional or area directors or by such other description as the Board may determine but such persons shall not by virtue of their appointment pursuant to this Article be constituted for any purposes directors of the Company. The Board may from time to time and at any time delegate to any such persons so appointed or to any subsidiary (whether or not wholly-owned) any of the powers, authorities and discretions for the time being vested in the Board (other than the powers of borrowing and making calls), with power to sub-delegate, and may authorise the members for the time being of such special or local board committee or council or any of them to fill any vacancies therein, and to act notwithstanding vacancies. The Board may from time to time fix the remuneration and other benefits of such persons as aforesaid and impose such terms, conditions and regulations relating to their appointments, powers and conduct of their duties as the Board think fit, and may at any time remove any persons so appointed and may annul or vary any such delegation or appointment (whether such person was appointed by the Board or by any other person pursuant to this Article). No person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

94. The Board may from time to time and at any time appoint any corporation, firm or person or fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the agent or agents of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under the Articles) and for such period and subject to such conditions as they may think fit, and any such appointment may contain such provisions for the protection and convenience of persons dealing with any such agent as the Board may think fit and may also authorise any such agent to sub-delegate all or any of the powers, authorities and discretions vested in him.

95. The Board may from time to time appoint any person to any office or employment having a designation or title including the word "director" or attach to any existing office or employment with the Company such a designation or title and may at any time determine any such appointment or the use of any such designation or title. The inclusion of the word "director" in the designation or title of any such office or employment with the Company shall not imply that the holder thereof is a director of the Company nor shall such holder thereby be empowered in any respect to act as a director of the Company or to be deemed to be a director for any of the purposes of the Articles.

96. Subject to and to the extent permitted by the Acts, the Board may cause to be kept in any territory outside the United Kingdom a branch register of Members resident in such territory, and the Board may make and vary such regulations as they may think fit respecting the keeping of any such register.

97. The Company may exercise the powers conferred by the Acts with regard to having an official seal for use abroad and with regard to having a Securities Seal, and such powers shall be vested in the Board.

98. All cheques, promissory notes, drafts, bills of exchange and other instruments whether negotiable or transferable or not, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

99. The Board may by resolution exercise any power conferred by the Acts to make provision for the benefit of individuals employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or any part of the undertaking of the Company or that subsidiary.

100. The Board shall cause minutes to be made in books provided for the purpose:-

- (a) of all appointments of officers made by the Board;
- (b) of the names of the directors present at each meeting of the directors and of any committee of the Board; and
- (c) of all resolutions and proceedings at all meetings of the Company, and of the directors, and of committees of the Board;

It shall not be necessary for directors present at any meeting of directors or committee of the Board to sign their names in the Minute Book or other book kept for recording attendance.

101. Excluding amounts payable under any other Article, each director shall be paid such remuneration for his services, not exceeding £30,000 per annum, as the Board may from time to time determine. Such amount of £30,000 shall rise in accordance with the percentage increase of the retail prices index (within the meaning of Section 833(2) Income and Corporation Taxes Act 1988) for any period of twelve months beginning 1st April 1992 or an anniversary of that date. Such remuneration shall be deemed to accrue from day to day. The Company may by Ordinary Resolution increase the amount of remuneration payable to all or any of the directors and either permanently or for a year or longer period. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the Board or General Meetings of the Company or in connection with the business of the Company.

102. Any director who holds any executive office (including for this purpose the office of chairman or deputy chairman whether or not such office is held in an executive capacity), or who serves on any committee, or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commission, participation in profits or otherwise (or partly in one way and partly in another) and such other benefits for himself and his dependents of whatever nature as the Board may determine.

103. A director of the Company may be or continue as or become a director or other officer, servant or member of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such director shall (unless the Company in General Meeting otherwise directs) be accountable to the Company for any remuneration or other benefits received or receivable by him as a director or other officer, servant or member of, or from his interest in, such other company.

104. Subject to the provisions of the Acts a director may hold any other office or place of profit under the Company or any other company in which the Company is in any way interested (other than the office of Auditor of the Company or of any of its subsidiaries) in conjunction with his office of director and may act by himself or through any partnership in which he is in any way interested in a professional capacity for the Company for such period and on such terms (as to remuneration and otherwise) as the Board may determine. No director or intending director shall be disqualified by his office from entering into any contract, arrangement, transaction or proposal with the Company either with regard to his tenure of any such other office or place of profit or any such acting in a professional capacity or as vendor, purchaser or otherwise (subject to the provisions of the Acts and save as herein provided), nor shall any such contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any director or person connected with him is in any way interested be liable to be avoided, nor shall any director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of such director's holding that office or of the fiduciary relationship thereby established.

105. (A) A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or transaction or arrangement with the Company shall declare the nature of his interest at a meeting of the Board in accordance with the Acts.

(B) Subject to the provisions of the Articles a director shall not vote (and if he does do so his vote shall not be counted) in respect of any contract, arrangement, transaction or proposal whatsoever in which (together with any interest of any person connected with him) he has any material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company, and shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. Provided that (in the absence of any other material interest than is indicated below) a director shall be entitled to vote and be counted in a quorum in respect of any resolution concerning any of the following matters namely:-

- (i) relating to the giving of any security guarantee or indemnity in respect of:-
 - (a) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
 - (b) a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or part under a guarantee or indemnity or by the giving of security;
- (ii) subject to the provisions of the Articles and the Acts, any contract, arrangement or proposal concerning the purchase or maintenance of insurance in his favour, in respect of any liability;
- (iii) where the Company or any of its subsidiary undertakings is offering securities (as defined in the 1993 listing rules of the London Stock Exchange) in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (iv) relating to another company in which he does not hold an interest in shares (as that term is used in part VI of the 1985 Act) representing one per cent or more of either any class of the equity share capital, or the voting rights, in such company;
- (v) relating to a pension, superannuation or similar scheme, or retirement, death or disability benefits scheme or employees' share scheme which has been approved by the Inland Revenue or is conditional upon such approval or does not award him any privilege or benefit not awarded to the employees to whom such scheme relates;
- (vi) any arrangement for the benefit of employees of the Company or of any of its subsidiaries under which the director benefits in a similar manner as the employees;

(C) Where a company in which a director holds one per cent or more is materially interested in a transaction, then he shall also be deemed materially interested in such transaction.

(D) Without prejudice to the provisions of paragraph (B) of this Article a director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof.

(E) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to offices, employments with or places of profit under the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each director separately and in such cases each of the directors concerned (if not debarred from voting under paragraph (B) (iv) of this Article) shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

(F) If any question shall arise at any meeting of the Board as to the materiality of the interest of a director (other than the chairman of the meeting) or as to the entitlement of any director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other director shall be final and conclusive except in a case where the nature or extent of the interest of the director concerned as known to such director has not been fully disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by resolution of the Board (for which purpose such chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fully disclosed to the Board.

(G) Subject to the Acts, the Company may by Ordinary Resolution suspend or relax the provisions of this Article to any extent (and either generally or in respect of any particular contract, arrangement or transaction) or ratify any particular contract, arrangement or transaction carried out in contravention of this Article.

106. Subject to the provisions of the Articles and the Acts the Board may exercise or procure the exercise of the voting rights conferred by the shares in any other company held or owned by the Company, and may exercise any voting rights to which they are entitled as directors of such other company, in such manner as they shall in their absolute discretion think fit, including the exercise thereof in favour of any resolution appointing themselves or any of them as directors, officers or servants of such other company, and fixing their remuneration as such, and may vote as directors of the Company in connection with any of the matters aforesaid.

107. The Board on behalf of the Company may exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any person including any director or former director or the relations, connections or dependents thereof Provided that such powers shall not (except as may be provided for by any other Article) be exercisable in favour or for the benefit of a director or former director who has not been an employee of or held any other office or place of profit under the Company or any of its subsidiaries or a person who has no claim on the Company except as a relation, connection or dependent of such a director or former director without the approval of an Ordinary Resolution of the Company. A director or former director shall not be accountable to the Company or the Members for any benefit of any kind conferred under or pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

Appointment and Removal of Directors

108. A resolution for the appointment of two or more persons as directors by a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by a meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.

109. No person other than a director retiring at the meeting shall, unless recommended by the Board, be eligible for election to the office of director at any General Meeting unless not less than seven nor more than 42 days before the date appointed for the meeting there shall have been left at the Office notice in writing, signed by a Member duly qualified to attend and vote at such meeting, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.

110. The Board shall have power at any time, and from time to time, to appoint any person to be a director of the Company, either to fill a casual vacancy or as an addition to the existing directors, but so that the maximum number of directors, if any, fixed by or pursuant to the Articles shall not at any time be exceeded. Any director so appointed shall retire at the next following Annual General Meeting, and shall then be eligible to stand for election but shall not be taken into account in determining which directors are to retire by rotation at such meeting.

111. (A) The Company may by Ordinary Resolution of which special notice has been given in accordance with the Acts or by Special Resolution remove any director before the expiration of his period of office notwithstanding anything in the Articles or in any agreement between the Company and such director, but without prejudice to any claim he may have for damages for breach of any such agreement, and may appoint another person in the place of such director. In default of such appointment the vacancy arising upon removal of a director from office may be filled as a casual vacancy.

(B) The Company may by Ordinary Resolution appoint any person to fill a casual vacancy or as an additional director but so that the maximum number of directors, if any, fixed by or pursuant to the Articles shall not be exceeded.

(C) Any person appointed a director pursuant to this Article shall be treated for the purpose of determining the time at which he or any other director is to retire by rotation as if he had become a director on the day on which the director (if any) in whose place he is appointed was last elected a director.

112. No person shall be disqualified from being appointed a director and no director shall be required to vacate that office by reason only of the fact that he has attained the age of 70 years or any other age, nor shall it be necessary by reason of his age to give special notice under the Acts of any resolution, but where the Board convene any General Meeting of the Company at which a director will be proposed for election or re-election who will at the date of such meeting have attained the age of 70 years, the Board shall give notice of his having attained such age in the notice convening the meeting or in any document sent therewith, but the accidental omission to give such notice shall not invalidate any proceedings at that meeting or any election or re-election of such director at that meeting.

Rotation of Directors

113. At every Annual General Meeting of the Company one third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one third) shall retire from office by rotation. The number of directors for the time being for the purposes of this Article shall not include any director retiring under Article 110, whether standing for re-election or not.

114. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any director who wishes to retire and not offer himself for re-election but shall not include any director standing for election under Article 110. A director who wishes to retire shall include any director who has notified the Secretary not less than one month before the date of the notice convening the Annual General Meeting ("Notice") that he wishes to retire at any time on or between the date of the Notice and the date of the Annual General Meeting. Any further directors so to retire shall be those of the other directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected directors on the same day those to retire shall (unless the Board resolves otherwise) be determined by lot. Subject to any directors who wish to retire as stated above, the directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the date of the Notice, and no director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Board after the date of the Notice but before the close of the Annual General Meeting.

115. A retiring director shall be eligible for re-election.

116. At the meeting at which a director retires for any reason the Company may by Ordinary Resolution fill the vacated office by electing thereto the retiring director or some other person eligible for appointment. In default the retiring director shall be deemed to have been re-elected unless at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such director is put to the meeting and lost or such director has given notice in writing to the Company that he is unwilling to be re-elected or the maximum number of directors of the Company is reduced in accordance with Article 87.

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect another person in the place of the retiring director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring director who is re-elected or deemed to have been re-elected will continue in office without a break.

Disqualification of directors

117. The office of a director shall be vacated if:-

- (a) he ceases to be a director by virtue of any provision of the Acts or is removed from office pursuant to the Articles;
- (b) he becomes prohibited by law from acting as a director;
- (c) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (d) in England or elsewhere an order is made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
- (e) not being a director whose contract precludes resignation:-
 - (i) he resigns his office by notice in writing under his hand, or under the hand of someone duly authorised on his behalf, delivered to the Office; or
 - (ii) he offers to resign whether or not in writing and the Board resolve to accept such offer;
- (f) he is absent from meetings of the Board for six consecutive months without permission of the Board, and the Board resolve that his office be vacated; or
- (g) his contract as a director expires, or is terminated for any reason, and is neither renewed nor a new contract granted within 14 days.

If the office of a director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the Board.

Proceedings of The Board

118. The Board may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote. The Secretary on the requisition of a director shall, at any time summon a meeting of the Board. Notice of a Board meeting shall be deemed to be duly given to a director if it is in writing and is given to him personally or sent to him at his last known address or any other address given by him to the Company for this purpose. The Board may make regulations for the giving of notice of a Board meeting in such circumstances and subject to such conditions and requirements as they think fit. A director absent or intending to be absent from the United Kingdom may request the Board in writing that notices of Board meetings shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, but in the absence of any such request or in the case where oral notice only is given of a Board meeting, it shall not be necessary to give notice of a Board meeting to any director who is for the time being absent from the United Kingdom. A director may waive notice of any meeting either prospectively or retrospectively.

119. The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed shall be two. Any director who ceases to be a director at a Board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of that Board meeting if no other director objects and if otherwise a quorum of the Board would not be present.

120. The continuing directors or sole continuing director may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the Articles as the minimum number of directors or the quorum of the Board, the continuing directors or director may act for the purpose of filling vacancies, or of summoning a General Meeting of the Company, but for no other purposes. If there be no directors or director willing to act, then any two Members may summon a General Meeting to appoint directors.

121. If no chairman is appointed under Article 125 (managing and executive directors) the Board may elect one of their number to be chairman, and if no deputy chairman is appointed under that Article the Board may elect one of their number to be deputy chairman; and they may determine the period for which any such office is to be held. The chairman of the meetings of the Board shall be the chairman, if any, appointed under Article 125 or elected under the foregoing provisions of this Article and in his absence the deputy chairman, if any, so appointed or elected. If neither chairman nor deputy chairman is appointed under Article 125 and neither chairman nor deputy chairman is elected under the foregoing provisions of this Article, or no such person is present at any meeting of the Board within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting. References in this Article to "deputy chairman" shall be construed as including, in the absence of an appointment or election of someone with that specific title, a person appointed or elected to an office known by another title which, at or before the time of his appointment or election as such, is designated by the Board as being equivalent to the office of deputy chairman.

122. (A) The Board may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve the payment of remuneration to, or the conferring of any other benefit on, all or any members of the Board) to committees consisting of one or more directors or other persons and (if thought fit) one or more persons co-opted as hereinafter provided.

(B) Insofar as any such power or discretion is delegated to a committee any reference in these Articles to the exercise by the Board of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise by such committee. Any such delegation may include authority to sub-delegate all or any of the powers or discretions delegated.

(C) The meetings and proceedings of any such committee or sub-committee consisting of two or more members shall be governed mutatis mutandis by the provisions of the Articles regulating the meetings and proceedings of the Board so far as the same are not superseded by any regulations made by the Board. Any committee or sub-committee so formed shall in the exercise of the powers or discretions so delegated conform to any regulations which may from time to time be imposed by the Board. Any such regulations may provide for the co-option to the committee or sub-committee of persons other than directors and for such co-opted members to have voting rights as members of the committee or sub-committee.

(D) Any committee or sub-committee may be called a "board" or "council" or any other name as the Board may determine.